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SUBJECT: SPEAKER OF THE HOUSE DELEGATION MEETS NATIONAL ASSEMBLY
CHAIRMAN NGUYEN VAN AN

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11. (SBU) Summary: Visiting Speaker of the House of Representatives Dennis Hastert delivered a basic message in Hanoi: we support, in principle, Vietnam's economic development and openness and will work hard to pass Permanent Normalized Trade Relations for Vietnam because international economic integration and economic development are good for mankind and passing PNTR is the right thing to do. His delegation strongly cautioned the Vietnamese that trade votes are difficult at any time, but especially in an election year, and that Vietnam's human rights record will be an important issue in the debate. National Assembly Chairman Nguyen Van An highlighted the historical linkages between the United States and Vietnam and described Vietnam's economic development to date. He was obviously pleased to hear Speaker Hastert commit to trying to pass PNTR; it is less clear if he understood the other delegation members' warnings that it might not succeed. Describing himself as a Buddhist, An declared that religious activity within Vietnam is robust. End Summary.

12. (SBU) Speaker of the House Dennis Hastert had meetings with Vietnam's leadership April 14. In his first meeting with National Assembly Chairman Nguyen Van An, An noted that he had just come from opening the 15th (and last) Plenum of the Central Committee of the Communist Party before the beginning of the 10th National Party Congress. After this unsubtle reminder that the Speaker's visit is coming at a sensitive time for Vietnam, An extended a "warm welcome to the first visit of the Speaker of the U.S. House of Representatives to Vietnam." Vietnam highly values this significant and important visit because it marks an important milestone in the relationship between the U.S. Congress and the Vietnamese National Assembly. It was regrettable that the United States and Vietnam could not hold such a meeting sixty years ago when then-President Ho Chi Minh had extended an invitation and letter to President Harry Truman stating that Vietnam wanted "complete independence and comprehensive cooperation with the United States." That goal has not changed since 1946, An stressed. He pointed out the historical linkages between the United States and Vietnam, using the similarities in language between the two countries' declarations of independence as an example.

13. (SBU) Speaker Hastert thanked An for his gracious welcome, and said that his delegation sees this opportunity to re-establish mutual understanding and communication as very important. It is unfortunate that the conversations of today did not happen in 1946, and as a result many people suffered. He introduced the delegation, which included:

Speaker Hastert (R-IL)
Rep. Michael Oxley (R-OH)
Rep. Sherwood Boehlert (R-NY)
Rep. Frank Lucas (R-OK)
Rep. Ray LaHood (R-IL)
Rep. Paul Ryan (R-WI)
Rep. Randy Neugebauer (R-TX)
Rep. Dan Boren (D-OK)

U.S. PRIORITIES: HUMAN RIGHTS, POW/MIA, TRADE, PNTR

14. (SBU) Speaker Hastert told Chairman An that the issues of interest to the delegation include trade, permanent normalized trade relations (PNTR) and related issues such as human rights and fullest possible accounting of those missing from the war. Trade votes are never easy in the U.S. Congress, Speaker Hastert cautioned, because every member with an issue or specific concern will have to raise it in order to be responsive to his or her constituents. Any bill requires a majority to pass, and that means satisfying the concerns of a majority of members, which can be difficult. In the long run, the work to satisfy the concerns of as many constituencies as possible is a good thing. The greatest good is to bring two sides together, to have dialogue, to exchange trade and bring people closer, the Speaker said.

AN: WE MISSED A CHANCE 60 YEARS AGO

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15. (U) "The doors have been open since 1945 for this conversation," An said. "The people of Vietnam strongly desire independence and freedom; our revolution in 1945 was like yours in 1776; both of our countries paid a dear price for freedom." Vietnam's priority today is for cooperation in economic development, An continued, in order to bring about a better life for the Vietnamese people. The United States and Vietnam have missed opportunities to cooperate in the past, "but better late than never, for world peace, development and security."

16. (SBU) An presented the U.S. delegation with a copy of the Vietnamese Declaration of Independence of 1945 to demonstrate the similarity with the U.S. Declaration of Independence. He also supplied a cartoon from 1945 depicting the United States Army as "our friends." The cartoon's eight panels served as a kind of public service announcement to enlist the assistance of the Vietnamese people in rescuing and protecting downed American pilots and contacting local Viet Minh guerrillas to escort them to Chinese territory for repatriation back to the United States during World War II. An also showed the delegation photos of Viet Minh guerrillas in 1945 receiving training from allied forces, including the United States. The Declaration of Independence, the cartoon and the photo of the joint training are all evidence to support his claims that Vietnam was ready in 1945 to cooperate closely with the United States, An said.

AN: ECONOMIC OVERVIEW, NATIONAL ASSEMBLY ROLE

17. (SBU) An gave a brief overview of Vietnam's current situation. The "Doi Moi" (renovation) period of economic reform began in 1986 with a shift from a centrally planned economy to a market-based economy along socialist lines.

The phrase "along socialist lines" means that the GVN pays attention to social equity. Vietnam wants fast and sustainable development, but without disadvantaging anyone. Central planning did not result in the production of enough food, he acknowledged. Now after the shift to a market economy, Vietnam has food security and enough to eat as well as enough to export to other countries, and has become a top exporter of rice. In the process, Vietnam has reduced the number of poor households by half and GDP growth continues to increase at an average of 7.5 percent in recent years, and with a target of over eight percent in the next five years. Unfortunately, competitiveness is a problem for the Vietnamese economy, as is efficiency. The rate of return on Vietnam's investments is not high. Vietnam is working hard to make the development process sustainable and make the economy operate more efficiently, a process that will make Vietnam more competitive, especially after it enters the WTO.

18. (SBU) The National Assembly's role in Vietnamese politics has grown in recent years, An said. Under the Constitution and the law, the National Assembly should be the highest body of authority in Vietnam. The National Assembly's activities have become more and more democratic and observant of the Constitution and the law in recent years. Making and amending domestic laws are key functions of the National Assembly, especially as Vietnam revamps its legal code for entry into the WTO. Laws and regulations and the National Assembly's future responsibilities are not yet completely defined, he admitted. The National Assembly will strive to overcome that and meet its governing responsibilities.

AN: VIETNAMESE FOREIGN POLICY

19. (SBU) With regard to foreign policy, Vietnam wants to put the past behind it and look to the future, especially with the United States. Vietnam's policy is to be a friend and reliable partner with all countries, in compliance with the UN charter and international law, An explained. In the development of relations with all the countries of the

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world, prioritization is necessary, noting that Vietnam's top priority is its neighbors, while the second priority is the "major powers and centers in the world," such as the United States, the EU, Japan, India, China and Russia. Political relations with the United States have been going very well, he judged, and Vietnam is happy with the exchange of high-level visits, including the Speaker's visit. The next major bilateral event will be the visit of President Bush to Vietnam in conjunction with APEC 2006, which will be "another important milestone."

110. (SBU) Vietnam is pleased with the success of the Bilateral Trade Agreement and the fact that the United States has become Vietnam's largest export market, though it is unfortunate that U.S. investment is not as high as U.S. trade. The United States is Vietnam's tenth largest investor, An said, though he acknowledged that the amount of investment would be triple if third-country subsidiaries of U.S. firms were included in the investment statistics. There should be more cooperation in the areas of science and technology, education, security and defense and culture, as well as more legislative branch delegations in both directions. The delegation should be sensitive to the fact that Vietnam has had thousands of years under feudal domination by China, hundreds of years under colonialism, decades of war and only a few years of peace and stability to overcome the past and make a better life for Vietnamese people, An urged.

HASTERT: VIETNAM'S EMERGENCE GOOD FOR EVERYONE

¶11. (SBU) Speaker Hastert took An's comment regarding Vietnam's past "seriously," noting that history has given Vietnam very little time to pursue economic and educational development because so much time and effort was devoted to defense. The United States sees better relations with Vietnam developing because the Vietnamese people are emerging into the international community and wanting better health care, education and economic opportunity. To meet this need and cooperate, the United States and Vietnam must build a relationship of trust and transparency. As that relationship develops, friendship follows. All of the major countries of the world have changed over the years, the Speaker observed. The United States has been called on to help other countries maintain their freedom; the EU has become a unified group; China has opened its doors; India has changed from a nonaligned country to an eager participant in the world economy; and, Japan has gone from being a major military threat to a huge economic driving force in global economic development.

¶12. (SBU) The large sign welcoming visitors to "Hanoi, City of Peace" has a strong message, the Speaker continued. When people are at peace internally and externally, many opportunities arise. Vietnam can take advantage of stable (and equal) commodity and capital costs globally to use its advantage in lower-cost labor to make economic gains. This same philosophy worked for Japan in the 1950s, for Taiwan in the 1960s, for Thailand in the 1970s and for China in the 1980s, he said. Countries that follow this path develop economically, they open up and they change from within. The people become better educated, they have better health care, they have a greater understanding of world events and a higher standard of living. "When we as leaders make this happen," the Speaker said, "we build a much richer legacy to pass on to our children and grandchildren, all based on the actions we take now."

HASTERT: PRIORITY ISSUES FOR PNTR

¶13. (SBU) The Speaker welcomed Chairman An's suggestion of continued and expanded parliamentary exchanges and recommended setting up ways to move that forward right away. He promised An that he would "work to pass PNTR, even though trade legislation is often the most difficult to pass." Every member and every constituent with a specific Vietnam-related issue will bring it forward during the PNTR vote, the Speaker warned. That includes trade issues, such as

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market access for corn and soybeans grown in Illinois, for example, as well as non-trade issues like human rights and POW/MIA accounting. It is a good process, with facts brought out and discussed, but it is also difficult. He asked An to "give us better ideas and a better understanding so we can carry the debate forward."

OXLEY: TELL US MORE ABOUT VIETNAM'S ECONOMIC REFORMS

¶14. (SBU) Representative Oxley noted that when he was in Bangkok 13 years earlier, the American Chamber of Commerce (AMCHAM) discussion at the time concerned whether the United States was ready for normal relations with Vietnam. It is hard to believe, he said, that only 13 years later the two sides are discussing WTO entry for Vietnam and the United States has become Vietnam's largest export market. Vietnam's change from central planning to market-based system is admirable, Rep. Oxley said. He asked for more information on Vietnam's formation of capital markets, the transparency of political and economic decisionmaking and anti-corruption efforts. These details will be vital for advocates of PNTR passage, Oxley said, including himself.

AN: ECONOMIC REFORM AND "ECONOMIC DEMOCRACY"

¶15. (SBU) Chairman An said the Doi Moi reforms were "of the greatest importance" because they prevented Vietnam from "following the fallen path of the Soviet Union." Vietnam followed the central planning philosophy with the idea that ridding Vietnam of private ownership would prevent exploitation of workers and farmers. However, Vietnam learned that this is an ineffective system because it deprives people of economic incentives to work. In the old days, there were only two sectors: State-owned Enterprises and collectives. Now, the Constitution and the GVN promote the growth of every economic sector and people's rights include the right to participate in every part of the economy as private citizens or in business. This fundamental change led to an explosion in agricultural development. Democracy in the area of economic growth is very strictly enforced, with the outcome that "anyone can successfully pursue happiness and prosperity and develop themselves and the country." This policy helps Vietnam mobilize capital domestically and from overseas, An said.

¶16. (SBU) An acknowledged that the creation of capital markets "is very new for us." There are two stock exchanges, in Hanoi and in Ho Chi Minh City. The capital markets are growing, however. "Money and banking systems are also relatively new to us, but we are working on them," he continued. "Part of our banking system is now commercial banks, and we are creating the conditions for effective monetary markets and policies to operate."

¶17. (SBU) A quick read of the press will demonstrate Vietnam's commitment to anti-corruption, An said. The anti-corruption fight is one method to increase efficiency, and gain the confidence and trust of the population and the world, including business people and investors. The reforms of the last twenty years have been a great exercise in conceptual change. To achieve the results Vietnam has achieved is an exceptional process, and a success. The GVN and the Party attribute the success of the reform process to the success of economic democracy, and have committed to taking the process to new heights in the years to come. "I say that we won the wars of resistance because we complied with the wishes of the people, and we will have success in economic modernization with the same popular involvement."

RYAN: KEY ISSUES ARE REFORM, MARKET ACCESS, HUMAN RIGHTS

¶18. (SBU) Rep. Paul Ryan, a member of the Ways and Means Committee, described three major challenges ahead for Vietnam as it faces a PNTR vote in Congress. First, the Congress will look closely at Vietnam's laws on the rule of law, intellectual property rights, and the transparency of business rules and procedures, and then will look at how

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those laws are implemented. Second, it will be necessary for individual members to justify a PNTR vote to their constituents, so tariff and non-tariff barriers to trade will be very important. U.S. Trade Representative Rob Portman is a former colleague in the House of Representatives and very well respected in Congress, and he is trusted to raise and solve the important market access issues that remain, such as on motorcycles, car engines, tractors, financial services, etc. These are crucial to constituents and of the highest importance to members. Third, it is necessary to keep in mind that Vietnam PNTR will be a very emotional vote, both because of the history between our countries and because of ongoing political differences. Human rights, for example, particularly in the realms of religious freedom, internet freedom and trafficking in persons, will be closely watched. Rep. Ryan said he appreciates Chairman An's candor on the democracy of Vietnam's economic system, but is concerned about the inherent contradiction between economic democracy and political centralization. This will be a contentious issue

as Congress debates PNTR for Vietnam and each member tries to justify his/her position to his/her constituents.

AN RESPONDS AT LENGTH

¶19. (SBU) The National Assembly passed WTO laws three times faster than any other law on Vietnam's books, An declared. The quality of those laws is also higher than other legislation. The National Assembly is involved in the process intimately, and is required to approve any bilateral agreement with Vietnam, a role it has played efficiently in the past year. Vietnam is looking forward to addressing the challenge of PNTR, as well as other contentious issues, such as Vietnam's continued placement on the list of countries of particular concern for religious freedom. For the PNTR vote to be fair and accurate, An said, it will be important that Congress receives "fair information from different angles" that will do the best job of informing the institution.

HUMAN RIGHTS

¶20. (SBU) Tariff and non-tariff barriers as well as other technical issues have, by and large, been dealt with in the negotiations, An asserted. The issues of human rights and religious freedom are very big ones, and very sensitive, based on the fact that Vietnam and the United States have differences in opinion and approach due to their different historic development as countries. It takes time to grow when you have the complex and difficult history of Vietnam, he said. The real problem is that the two sides do not understand each other well enough, he added. "Why do you think we fought wars for thirty years," he asked rhetorically, "if not for the human rights of our people?" All men are created equal, and Vietnam fought its wars to guarantee that it will be on an equal footing with other countries. As Ho Chi Minh put it, "there is nothing more valuable than independence and freedom." Politically, Vietnam has a great deal of freedom, as evidenced by the popular participation in and feedback to the draft Political Report in advance of the 10th National Party Congress. An said he himself loves the internet and finds it very free. Vietnam looks forward to welcoming the "symbol of the internet," Bill Gates. Vietnam even has internet access in remote and mountainous areas, An said with pride. The Government's role in the internet is "to pay attention to the downsides, the things that can harm youth or be used to instigate negative issues." Vietnam understands that in a global age, force cannot be used to stop things; guidance is required to protect the people. The people require internet access to be efficient and wholesome.

RELIGIOUS FREEDOM

¶21. (SBU) An urged the delegation to visit a church or pagoda to see the practice of religion in Vietnam firsthand. "The issue in Vietnam has never been the practice of religion, but rather those who would take advantage of

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religion to do other things, and to invade us from outside," An explained. "The history of religious actions in Vietnam has been that religion from outside has been a road-paving project for colonialism." Religious activity within Vietnam is very robust, as much or more so than in the United States, he said. Every Vietnamese follows religion of one kind or another, he declared, and some follow more than one. "I am a Buddhist," An said, "and my wife is Catholic. My wife's sister is both. She attends the pagoda and the church." Vietnam takes a great deal from all religions. An closed with a "Ho Chi Minh thought" (itself borrowed from the Cao Dai, a uniquely Vietnamese religion) regarding the contributions of various religious belief systems: "Confucius teaches us how to be humane. Buddha teaches us

how to be benign. Jesus Christ teaches us to be compassionate, and Sun Yat Sen teaches us the three principles of the people (nationalism, democracy, and 'the people's livelihood,' which the Vietnamese believe means socialism)."

NATIONAL ASSEMBLY DINNER

¶22. (SBU) Following their official meetings, Chairman An hosted an elaborate dinner for the Speaker and his delegation in which An and other NA members who spoke were even more enthusiastic and upbeat about the future of the bilateral relationship. At one point, all of the NA representatives joined in song together in a toast to the future of U.S.-Vietnam relations. Later, An expounded on his earlier religious statements, saying that "God teaches us to love each other, and Buddha teaches us to show compassion to each other. This meeting allows us to put these principles into practice." In a final gesture, An had the musicians play a traditional American song and then a traditional Vietnamese song for the delegation. The Speaker concluded the evening with expressions of thanks and a commitment to continue developing our exchanges and dialogue.

Comment

¶23. (SBU) Chairman An is known as a relatively hard-line communist politician, and we have seen him take a combative and defensive attitude towards American delegations in the past (such as during Congressman Gillmor's visit in January 2006). He is also widely assumed to be retiring after the 10th National Party Congress this week, which would suggest that he does not need to pull his punches. With that in mind, his expansive, friendly responses to the Speaker's and the delegation's comments and questions, even on sensitive topics such as religious freedom and human rights, were a welcome surprise. The National Assembly (no doubt at An's instruction) went out of its way to create warm atmospherics for the meeting, with a relatively intimate "welcome toast" and a robust turnout of pro-U.S. officials and legislators. We noted that An did not let his colleagues ask or answer a single question, and instead did all the talking himself. He promised that he would give them a chance to express themselves later at the dinner reception, but in fact that was a largely social affair.

¶23. (SBU) The Speaker's staff members cleared this message.

MARINE